

Page 2 of 2

my customer ALSO never changed  
to TCS & ASKED <sup>the</sup> LEE WHO CHOSE  
that, why & when & she REFUSED  
to answer him. She JUST KEEP  
SAYING AREP WILL CONTACT YOU!



**LEC COMPLAINT**

DATE: 8-21-97

TIME: \_\_\_\_\_

AGENT NAME: TIM GORDONLEC: BELL SOUTH LEC PHONE#: (800) 451-2642LEC OPERATOR: SHEILABUSINESS NAME: my BUDGET Kwik ShopCONTACT NAME: Bill Chappelle TITLE: OwnerCONTACT PHONE: (864) 573-5715

COMMENTS: The LEC interrupted me in my  
introduction of customer & info +  
asked me "what exactly was I calling  
for" when I replied "O + pic change"  
she continued with the customer &  
refused to let me give info. she asked  
asked the customer for an ID # & then  
told us he had TCS she would activate  
it on the 26<sup>th</sup> of August and a  
Bell South rep would call him in 3 days  
to discuss the account & refused to  
tell us why! My cust. never placed TCS  
on his phones & asked the LEC who,  
when & why - she refused to answer & said a  
rep will call you!

ANI NUMBERS: (864) 582-9708



**LEC COMPLAINT**

DATE: 9/16/97

TIME: 3:50

AGENT NAME: Dee Barnes

LEC: BS LEC PHONE #: \_\_\_\_\_

LEC OPERATOR: Susan Harton

BUSINESS NAME: ~~E~~ Johnsons Game Room

CONTACT NAME: Thomas Johnson TITLE: Own

CONTACT PHONE: 601 456 9969

COMMENTS: Order # 47243

BS Rep told Mr Johnson that he was already  
w/ ~~BS~~ Teltrust + if he changed he would  
have to pay a \$5 (five dollar) Maintenance Fee  
NOS Rep said NOS would cover the \$5 w/ Commissions  
earned. BS Rep tried to talk Mr. Johnson out of  
Doing Business w/ ICB (CICS3). In the end  
LEC Rep let it go through + gave me a Confirmation  
#

ANI NUMBERS: 601-456-9969



**LEC COMPLAINT**

DATE: 6/9/17/97 TIME 2:40

AGENT NAME: Dee Barnes

LEC: Bell South LEC PHONE #: 800 451 2646

LEC OPERATOR: Karen

BUSINESS NAME: Sandersville Exxon

CONTACT NAME: Wally Blakney

CONTACT PHONE: 601-425-3343 TITLE: Owner

COMMENTS: Karen said I can't make change because  
you have a contract w/ BS - I asked Karen if he  
was w/ BS? She <sup>said</sup> actually he is w/ Teltrust.

I ask Karen if he has a choice. Karen said yes  
but ~~he~~ <sup>she (Karen)</sup> has to send a request <sup>to</sup> your sales  
consultants to discuss the change

ANI NUMBERS: 601-649 8942



Very soon

## LEC COMPLAINT

DATE: 9-23-97TIME: 10:50 AMAGENT NAME: Tuy GordonLEC: Bell South LEC PHONE#: (800) 451-2646LEC OPERATOR: MediaBUSINESS NAME: Valentinos Best.CONTACT NAME: Bill Georges TITLE: OwnerCONTACT PHONE: (704) 375-9200

COMMENTS: I attempted to bridge the payphone  
at Valentinos Best and I spoke w/ media  
after  
at Bell South. I gave her all of my  
information. She pulled up his  
account and replied that she was going  
to have a rep in Bill's area contact him  
in 3 business days. I asked her  
why would a rep call Mr Georges back  
when he has AT&T & doesn't pay for  
his payphone. She replied that he had  
TCS on the payphone.  
Mr Georges asked media when  
was that company placed on his  
account. Media replied she had no idea  
but someone would call Mr Georges in 3

ANY NUMBERS: (704)373-9480



Business Days and what was his contact number. I told MEDIA the phone company has always given my customers the information they requested why wouldn't she tell Mr. GEORGES the date of a contract he supposedly signed. She replied "I don't know".

BILL GEORGES HAS AT-T ON ALL OF HIS PHONE LINES (business, payphone and home). HE WOULD OF NEVER SWITCHED TO A NO NAME COMPANY. (quote unquote)

HIS PAYPHONE WAS ALSO CO. on 9-23 AS BEING ON AT-T!



[REDACTED]

September 30, 1997

TO: [REDACTED]

FR: Larry Kay  
[REDACTED]

RE: Bell South Complaint

I am personally tracking the following Bell South complaint.

Mr. Neal Haywood, store manager for Jim Adams Super Market IGA, was contacted by Sandy Sage, an NOS agent. This customer had been on line with NOS since August 1996 and was paid commission through August 1997. The payphone had a last call in August 1997 so Sandy Sage contacted the property. He wasn't sure why his payphone went off line in the first place but agreed to a three way call with Bell South to reactivate his payphone on an NOS carrier.

Sandy Sage and Mr. Haywood called Bell South. The Bell South rep. that took the call told Mr. Haywood that his payphone was already on Teltrust. Mr. Haywood said he did not know who Teltrust was, hasn't made any changes to his LD carrier recently and certainly doesn't remember signing anything. The Bell South rep would not honor the customers request to change the PIC but instead told him a marketing rep from Bell South payphone would contact him in 3 business days. This call took place on 9/22/97 and as of 9/29/97 he has not been contacted by Bell South.

I personally have been contacting Mr. Haywood to see if he has received a call from Bell South payphone division.

Jim Adams Super Market IGA  
15730 Highland  
McKenzie, TN 38201  
Contact # 901352-2266

Payphone # 901-352-9962



ID:

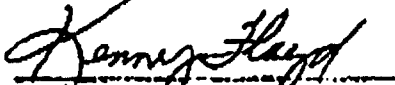
SEP 05 '97 10:27 No.002 P.02

I, Kenny Floyd do hereby state and affirm the following:

I am the owner of Floyd Oil Company. I was contacted by Sandy Sage, a representative of National Operator Services Inc., on July 28, 1997 for the purpose of changing the long distance carrier on the 2 Bell South public payphones at my business. I agreed to change the carrier to CG CIC 513. Ms. Sage conferenced in Bell South who was supposed to honor my request and change the long distance to my new choice. The Bell South representative named Lisa (last name not given) refused to make the change. She informed me that a representative of the Bell South marketing department would contact me. I explained that I have never had a problem changing carriers in the past and couldn't understand why Bell South was not honoring my request. Lisa just said she could not do it now.

Since that phone call, the Bell South marketing department never contacted me and the carrier on one of my payphones was slammed to Teletrust without my consent.

The foregoing is true to the best of my knowledge, information and belief.

  
Mr. Kenny Floyd, Owner  
Floyd Oil Company



# NOS

NATIONAL  
OPERATOR  
SERVICES, INC.

## PUBLIC PAYPHONE LETTER OF AUTHORIZATION

*RESIDUALS*

### LETTER OF AUTHORIZATION:

The undersigned CUSTOMER hereby authorizes National Operator Services, (NOS) to select the Primary Interexchange Carrier for the provision of operator services to the public payphone(s) listed below and/or additional phones attached hereto. The carrier selected is IT&S. We hereby authorize NOS to act as our Agent in the ordering and discontinuing of service for our payphone system, including the issuance of orders with respect to long distance and operator services for three public payphones. This letter also authorizes the local telephone company not to accept any change in our long distance company, unless prior written consent is obtained from CUSTOMER.

CUSTOMER understands that the local telephone company may assess a nominal charge in connection with this selection, and that only one carrier may be designated as the primary PIC for any telephone. CUSTOMER represents and warrants that he/she is the lawful owner of the property upon which the public payphone(s) listed are to be fully authorized by each owner to select the carrier listed above as the Primary Interexchange Carrier and that the individual signing below has full power and authority to execute this Agreement and bind the CUSTOMER to the terms hereof.

### COMMISSION PAYMENT INFORMATION:

National Operator Services, Inc. will pay CUSTOMER a monthly commission of 1.50 per operator-assisted (non coin) interexchange call handled by the NOS affiliated carrier listed above and made from the public payphones listed below.

### CUSTOMER INFORMATION:

(Please Print)

Company Name Floyd Oil Company

Street 15515

Address US Hwy 441-A

City Boyle State KY Zipcode 42444 Phone (502) 533-6623

### Authorized

Person Kenneth Boyd Title Owner

Residence Address for Communication and Correspondence if different from above: \_\_\_\_\_

### PUBLIC PAYPHONE NUMBERS:

(502) 533-7040

(502) 639-9257

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

LSC: \_\_\_\_\_

Previous Carrier: \_\_\_\_\_

### TERMS:

The initial term of this agreement shall be for a period of one year. Thereafter, this agreement shall automatically be renewed for successive one year terms unless canceled by either party in writing within thirty (30) days prior to the expiration of the initial or then applicable renewal term.

Three-way/Call Transfer Time \_\_\_\_\_ Date 8/13/97

LSC Representative \_\_\_\_\_ Current Date \_\_\_\_\_

NOS Sales Representative Shirley Sage My ID #: X661-1005724

Signature of Customer Kenneth Boyd Print Name Kenneth Boyd Date 8-13-97

National Operator Services, Inc. (NOS) 6701 Democracy Blvd, Suite 204, Bethesda, MD 20817

(800) 233-1667 - Fax (900) 408-0006 - E-mail nos@ix.netcom.com

*PGT 502*



## AFFIDAVIT

I, Janet Mollberg, do hereby state and affirm the following:

1. My position at \_\_\_\_\_ is \_\_\_\_\_

2. This is what happened:

I attempted to change the pic on a public payphone. The Bell South rep I got (Ms. Clemons) said she could not do that. She said she would have to have someone from the sales dept. call my customer. She said she could not give me a rep that could make changes and there was no other # for me to call. I hung up. I called immediately again got another rep. who processed the order immediately.

3. The following questionable procedure was performed:

Ms. Clemons at Bell South told me she was not authorized to make pic changes on public pay phones.

The foregoing is true to the best of my knowledge, information and belief.

Janet Mollberg  
Signature

9-3-97  
Date

Subscribed and sworn to in my presence this \_\_\_\_\_ day of \_\_\_\_\_ 1997.

My commission expires: \_\_\_\_\_

Seal

Notary Public



SEND TO: \_\_\_\_\_

OLYMPIC / NATIONWIDE OFFICIAL LEC COMPLAINT  
FORM

THIS FORM IS TO BE USED TO REPORT ANY QUESTIONABLE  
PROCEDURE PERFORMED BY THE LEC. IT WILL BE REVIEWED,  
AND ACTION MAY BE TAKEN IF NEED BE.

DATE: 8-21

YOUR NAME: Ivy Gordon

LEC: Bell South

LEC REP.: Sheila

CUSTOMER INFO: 1. SITE NAME Mr Budget Kwik Stop

2. CONTACT Bill Chappell TITLE Owner

3. ADDRESS 898 Milliken RD

CITY Spartanburg STATE/ZIP SC 29303

BUSINESS NUMBER (804) 573 5715

ANI NUMBER(S) (864) 582-9708 /

EXPLAIN WHAT

HAPPENED: Lec interrupted me in my  
introduction of customer + info  
and ask me "what exactly was I  
calling for" when I replied O-

pic change. She continued with  
the customer only + refused to let me  
give info. She asked the customer for  
an ID # + then told us he had TCS  
she would activate it on the  
8-26 + Bell South rep would call him in

ACTION 3 days to discuss the account  
TAKEN: refused to  
tell us  
why.



my customer also never changed  
to TCS & asked <sup>the</sup> LCC who chose  
that, why, & when & she refused  
to answer him. She just keep  
saying Arep will contact you!



On Wednesday, May 21<sup>st</sup>, I contacted Bell South with a customer on 3-way in order to place a pic-charge. We spoke with May Birch at Bell South, and I gave her the payphone number, and I told her we were placing Amnex 370 on the payphone. May Birch asked me if "Amex 3700" was Teltrust. I told her no, and that we were removing the present long distance carrier and placing Amnex 370 on the payphone. Then, she told my customer that if she would like to place the Bell South preferred carrier, Teltrust, on the payphone there would be no charge, but if we wanted to go with "Amnexe" there would be a \$15 line charge per phone. My customer still requested Amnex, so May Birch said they would have to contact her direct in 3 working days to explain it to her. I thanked May Birch and gave her the second payphone number.

Customer - Janna Garrett - (770) 451-0236  
Ani - (770) 452-9984  
Ani - (770) 216-9369  
Ashton Woods Rehab Center



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## MEMORANDUM

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DATE: May 21, 1997  
TO: Whom it may concern  
FROM: Bob Paffan  
RE: Complaint against Bell South

Dear Sirs,

This is to document my personal on-going experiences with the Bell South payphone dept. and the representatives that work in that dept.

On May 21, I contacted a business called B&B Spirits, and talk to the owner whose name is Burton Handmacher. There are 2 payphones and the numbers are 404-299-9943 and 404-221-8652. I waited with the customer for 20 minutes which until recently, is highly unusual, but now standard waiting time for that department. We finally got a Bell South representative by the name of Mrs. King. We have a set format to follow when doing a 3-way pic change at Bell South and I have followed it literally 2 years. Lately however, ever rep has had a different format, this time Mrs. King allowed me only to tell her my name. She quickly ask for the owner to identify himself, he said he was Burton Handmacher the Vice President.

She then without any hesitation ask him for the numbers to the payphone, which is very unusual because we were always allowed to give that information for the owner in the past.

After she got the information, she again put us on hold to make sure the Burton was the agent on record. After making the customer hold for 5 more minutes she came on the line and said he was not the customer of record. Burton quickly brought up the fact that if the old owners name was on the account, Mrs. King would have to change or update her records. At this point she became very belligerent and insisted that he has nothing to do with the account and she would not discuss Burton's account any longer. She did not even tell him to call back later so that a new ownership contract could be sent out to him. She then hung up on me and the customer without even saying was disconnecting.

Call if you have any questions.

Thank you,



On May 21<sup>st</sup> I called Bell South on 3way with my customer in order to make a carrier change from OCI to Annex 370. Our Bell South representative, Linda, informed us that "effective April 1<sup>st</sup>, if you do not choose the Bell South preferred carrier, you will be charged \$15 per month" for placing another carrier on the payphone. My customer asked her, "per month?" and Linda said "yes, per month." My customer agreed to the carrier change and that she still wanted to put Annex 370 on the payphone, and Linda gave us an activation date of Friday May 23<sup>rd</sup>.

Customer: Sal & Judy's Impastato

Diana Dyer - bookkeeper

contact # (504) 882-7167

payphone # (504) 882-9443



To whom it may concern: 5-21-97

I, Ivy Gordon, called Bell South on May 20, 1997 and spoke to ms. Gitz with JERARD Williams on the line. We were placing TLD on the 1st part of Mr Williams pay phone.

At the end of the ~~con~~ conversation ms. Gitz told Mr Williams a rep. from his AREA would call him in 3 days to confirm the order & would then give an activation date. I asked her what she meant <sup>by</sup> C/B I never heard of that. She (ms. Gitz) stated I can not talk to you Ivy, just the customer. She never even explained she just said thanks & hung up.

~~6-27-97~~ Ivy Gordon

~~803-275-5031~~ JERARD Williams (803) 275-5031

Rep - ms Gitz (Bell South

~~pay phone to 503-275-5031~~

803-275-9112



ID:

SEP 05 '97

3:25 No.001 P.03

## AFFIDAVIT

I, Sandy Sage do hereby state and affirm the following:  
I am an independent representative for National Operator Services, Inc. My job is to contact businesses that have public payphones and offer them an alternative operator service. When the customer selects one of the carriers I can offer I conference in the servicing Bell Company. With the customer and Bell company representative on the phone call a change of carrier is requested. At this point the Bell company honors the customers request and the representative gives the customer an activation date. The call is then terminated.

Recently, Bell South has prevented several of my customers from selecting a long distance carrier of their choice. On one such occasion, I contacted Bell South with James Oldham, a business owner, on the conference call. Prior to calling Bell South Mr. Oldham agreed to use our operator service for his public payphone. A very rude Bell South representative named Mrs. Bagley answered the call. While answering Mrs. Bagley's questions, Mr. Oldham had trouble remembering the carrier identification code (CIC) # for the carrier he had selected. He knew the carrier but could not recall the 3 digit CIC. Mr. Oldham asked for my assistance. Mrs. Bagley interrupted and said that only the customer was allowed to speak. When I responded to Mrs. Bagley that the customer was asking for some help she hung up on the customer and me.

Mr. Oldham and I called Bell South again. This time a Mrs. Stevenson was the Bell South Representative. Mrs. Stevenson said the Bell South marketing department would have to call Mr. Oldham with out me on the line. Mrs. Stevenson a record change had to be done by the marketing department since Mr. Oldham was a new customer of record. I asked Mrs. Stevenson if the reason for this private call was to offer Mr. Oldham the Bell South preferred carrier, Teletrust? She admitted yes. I explained (and Mr. Oldham explained) to Mrs. Stevenson that the request was for carrier ICG CIC 513 not Teletrust. She said maybe this would happen but the marketing department will speak to Mr. Oldham about Teletrust privately when they call to do a change of record.

The foregoing is true to the best of my knowledge, information and belief.

  
Ms. Sandy Sage

Subscriber and sworn to before me this 5 day of September 9, 1997.

My commission expires:  
SEAL

  
Notary Public

9/5/97

1/10/99







# HELEIN & ASSOCIATES, P. C.

ATTORNEYS AT LAW

8180 GREENSBORO DRIVE

SUITE 700

MCLEAN, VA 22102

(703) 714-1300 (TELEPHONE)

(703) 714-1330 (FACSIMILE)

WRITER'S DIRECT DIAL NUMBER:

(703) 714-1301

July 30, 1997

Federal Communications Commission  
Common Carrier Bureau  
Enforcement Division  
Enforcement Task Force  
2025 M Street, N.W.  
Washington, D.C. 20554

*Re: Action Required on Payphone Competition –  
Regional Bell Operating Companies*

Ladies & Gentlemen:

This firm represents independent payphone service providers ("IPSP") which are confronting strong-arm tactics from the Regional Bell Operating Companies ("RBOCs") in their efforts to enter into the provisioning of payphone services to location providers ("customer(s)").

The tactics being used by RBOCs such as Ameritech and BellSouth are as follows.

**BellSouth.** BellSouth requires customers to use the long distance carrier (Teltrust) BellSouth selected to carry all long distance traffic from the public payphones on the customer's premises and imposing a monthly untariffed charge of \$15 if the customer refuses to select Teltrust. This practice was confirmed by the BellSouth public payphones supervisor. This person confirmed that BellSouth has mailed letters to all BellSouth payphone locations in nine states announcing that Teltrust has been selected as BellSouth's PIC. This letter further advises that if end users also select Teltrust, there will no extra charge assessed; but, if a PIC other than Teltrust is chosen, a \$15 monthly charge is assessed. In addition, the BellSouth payphone supervisor confirmed that BellSouth pays no commissions to payphone locations who have Teltrust as their PIC.

For semi-public phones, BellSouth follows the same policy. For example, an RV Park operator in Georgia pays a tariffed \$35 per month charge to maintain a semi-public payphone for campers, visitors and business use, as necessary. When the camp operator didn't change to Teltrust, the monthly bill from BellSouth increased to \$50.



BellSouth also uses marketing materials to create the false impression that customers are required by law (the 1996 Act) to reevaluate their long distance PIC and that BellSouth controls the entities that may provide local and long distance services to the customer.

BellSouth uses prepared forms and correspondence which leverages BellSouth's status as the local exchange carrier to conceal the fact that BellSouth is actually soliciting the customer to make changes in its authorized agency for purposes of choosing a long distance carrier.

Specific instances of other BellSouth improper tactics about which empirical data has been developed include, but are not limited to, the following:

While discussing a change in the PIC for two payphones for an oil company operation in a three-way conference call among BellSouth, an IPSP and the end user, BellSouth's representative first agreed to the change to a PIC other than Teltrust, then recanted to "check with her marketing department." The end user was told to expect a call in two days from BellSouth's marketing department and the conversation ended without BellSouth implementing the end user's PIC selection.

A business in Marathon, Florida was slammed. Abruptly, payphones at this location stopped showing any traffic under the existing IPSP serving this location. This occurred after a site visit by a BellSouth representative who also informed the end user that if Teltrust was not selected as the PIC, BellSouth would remove its payphones from the premises.

**Ameritech.** Ameritech's marketing tactics vary from those of BellSouth, but have the same purpose, to gain unfair competitive advantage over IPSPs.

Ameritech uses a form Letter of Agency appointing Ameritech as the customer's agent to coordinate all payphone activities. In addition, the LOA contains language which directs the customer's independent PIC to turn over to Ameritech all of that PIC's contractual information with that customer. The LOA contains a clause that if the PIC fails to respond and provide the information within seven days of the LOA's execution, it is deemed that no contract exists with the PIC, the contract has expired or that the PIC has abandoned its rights. Another clause serves notice that the customer is not renewing its contract with its PIC and authorizes Ameritech to change its PIC immediately.

Customers are unaware of the legal import of signing this LOA. This is evident from the cavalier disregard for the factual reality of the status of any PIC contractual arrangements which the LOA purports to supersede. No PIC contract or tariff contains provisions permitting it to be interpreted by a non-party whose interests are adverse to the contracting parties, much less that the



non-party may interpret that contract as being non-existent, expired or abandoned because of a condition (failure to respond within seven days) created by the non-party to effect its own ends.

Ameritech's LOA should be held to constitute improper interference with existing IPSP customer contracts and, hence, clearly illegal under FCC policies and requirements.

For new IPSP customers, Ameritech engages in a different tactic, one contradictory to the tactic used against an IPSP's existing customers. First, it is necessary to understand that, at present, Ameritech has contracted with LDDS WorldCom ("LDDS") to be Ameritech's chosen long distance PIC for Ameritech-provided payphone service. Customers are then subjected to a deliberate tie-in arrangement of Ameritech.

When a customer signs the contract with Ameritech to place payphones on that provider's premises, the customer is either made to select, or construed by Ameritech to have chosen, LDDS as its long distance PIC for its payphones. According to an Ameritech spokeswoman in Evansville, Indiana, Lisa [no last name provided], the customer "signs" a contract selecting LDDS as the PIC. Once "signed up" however, the customer is not permitted by Ameritech to change that PIC.

In another case, a customer in the hospitality industry was marketed by an IPSP agent. In a conference call with the agent and Ameritech, the customer told Ameritech it had selected a PIC other than LDDS. Ameritech's representative, Ruth [no last name given], advised that the customer "had already selected Ameritech." LDDS was not even mentioned. Having made such "selection," the customer was not permitted to change its PIC. Ruth then stated- - "Debbie [IPSP agent], you can't change his 0+. Ameritech is the only one who can offer this." The Ameritech representative went on to inform both the IPSP agent and the customer that Ameritech was handling the long distance service from here on out.

In still another case, LDDS faxed the IPSP requesting the existing contract between the IPSP and the customer. LDDS claimed that the customer had requested that Ameritech provide the long distance to the payphones of the customer.

LDDS knew this customer was this particular IPSP's from LDDS' own database. In effect, Ameritech started out acting as an agent and submits a request to LDDS to change the customer's long distance service over. LDDS has the customer in its database as the IPSP's customer. LDDS then sends out a fax and provides the IPSP with 5 days in which to send the IPSP's contract with the customer to LDDS, or it will switch the customer to Ameritech.

The IPSP investigated the matter. It determined that the customer had never been contacted by Ameritech or LDDS, and never signed any document or form to change his PIC. He also stated



that he controlled the selection of the PIC. In short, an attempted incidence of "slamming" was involved.

The IPSP then contacted its own LDDS rep and related the foregoing events and requested to see Ameritech's contract with the customer. LDDS' IPSP rep eventually got back and reported the following. The rep requested the contact person's name for the customer and when told, admitted that was not the name of the person who allegedly authorized a switch to Ameritech. The person who allegedly was involved was not the customer representative who has authority to make such a decision.

Adding further to the concerns, Ameritech's policy, consistently applied over the past two to three years, contradicts its current tactics. Ameritech's past practice has been not to accept written contracts to change PICs; insisting instead on hearing directly from the customer by telephone.

Today when Ameritech's preferred telephonic communications procedure is followed, the results are quite different. For example, recently (July 15, 1997), the IPSP agent arranged a three-way conference call with the customer, herself and Ameritech. The Ameritech representative, Sharon [no last name given], listened politely to all the information being provided to change the customer's PIC, then informed the IPSP and customer, that the customer records would need to be checked, placed the parties on hold, but never came back on line. This was the second such episode on that same day.

In another incidence, Ameritech's "Sharon" inquired of the customer on-line if he was a new owner because the account ID number did not match with her records. At that point, Sharon abruptly stated that Ameritech would send the customer a contract for long distance and that Ameritech would be handling the long distance and hung up the phone.

Another customer's request to PIC the IPSP during a three-way conference call was denied. on the basis that the Federal tax ID number was said by Ameritech's "Sharon" to be incorrect. The customer's Federal tax ID number was not incorrect.

Another agent of Ameritech, Carol [no last name given], also requested the Federal tax ID number of a customer during a three-way conference call to order service. The customer took a moment and retrieved the number, but when it was provided, Carol stated -- "I noticed that you have Ameritech on the [pay]phone, I can't make the change [the customer was requesting]." Carol then simply said "Good-Bye" and hung up the phone. Later, a test call was placed and it was determined that the payphone had been previously presubscribed to an LDDS affiliate. Hence, what Carol meant when she said that this customer was on Ameritech, is that having formerly presubscribed to LDDS, Ameritech would not accept the change in this customer's PIC.



LDDS/Worldcom's role in all this was explained in part by representatives of LDDS as follows. LDDS takes the position that Ameritech's payphones are COCOTS and that LDDS representatives hold LDDS out to the public as a "regulated COCOT vendor."

LDDS is informed that Ameritech is using three methods to sign payphone location providers to Ameritech/LDDS interLATA service -- on-site sales calls; telemarketing and bundling a service request in Ameritech's payphone installation contracts at the time of their execution. LDDS representatives claimed, however, not to have seen these contracts and also to be unaware that Ameritech tells customers that if they select LDDS through Ameritech, the customer will not be permitted to change PICs in the future.

Ameritech's payphone operations are headquartered in Evansville, Indiana, and are apparently headed up by Marcus Boyd. A telephone conversation with Mr. Boyd provided the following information.

Ameritech has approximately 230,000 payphones it owns in its five-state territory. It employs 50-60 Account Executives ("AEs") who make on-site visits to place Ameritech phones on premises and arrange for commissions on the coin traffic generated. Using a list of expired site contracts, AEs are to re-sign these location providers to new contracts with standard three to five year terms, although, a one year term may be made available.

All new payphones installed must take LDDS as the PIC, the customer is denied, indeed is given no opportunity to exercise, any discretion in the selection of the PIC. Nor at this time is the customer informed that the PIC may never be changed so long as the Ameritech payphone is installed on the premises. If the customer happens to make inquiry about the PIC, he/she may then be told that LDDS must be selected and that no change in LDDS as the PIC will be allowed as long as Ameritech's payphones are installed on the premises.

Ameritech's installation contract is one page in length, covering placement of the phone, and provisioning of intrastate and interstate traffic, with a specific reference to providing interLATA traffic originating from the payphone(s).

The contract does not name the interLATA carrier, that is, does not identify or even mention LDDS as the PIC for the phone under the contract. This omission is deliberate and explained as follows. Ameritech is "positioning themselves [sic] to be the long distance carrier" on the payphone after Ameritech gains the right to enter the interLATA market for long distance.

Although admitting that the AEs probably should disclose LDDS as the PIC, the AE s "are having a problem with this." In fact, the AEs avoid mentioning that the PIC for the payphone in



question is being switched to LDDS, so customers have no idea that LDDS will be their phone's PIC.

When the contract is turned in by an AE, no verification of the customer's knowledge or selection of LDDS is made or attempted. No other checks are run to verify customer service needs or selections. No check is made whether the AE spoke with the authorized representative of the customer. No check is made whether the contract and all its terms were discussed with the customer. No mention is made that the PIC is being changed or that the customer has forfeited any rights to make a change in the future (a restriction enforced with the threat that Ameritech will remove its phones if a change is attempted). Although Ameritech receives hundreds of these contracts a day, no checks on proper signatures or knowledgeable execution are made.

Mr. Boyd admitted that an AE can get anyone to sign the contract and there is a recognized probability that the premises owner will have no knowledge of what has transpired. While there appears to be a limited recognition that these procedures, or lack thereof, are not proper, rather than institute corrective measures, the problem is passed off as being one of sloppy work on the part of the AEs -- "AEs are not the best with details or paper work."

In almost all cases, location providers will obtain a better commission rate from IPSPs than from Ameritech/LDDS. However, given Ameritech's tactics, not only is this fact unavailable to customers, but its advantage is denied by the coercive methods used requiring selection of LDDS and Ameritech.

The concern about the coercive tactics, misinformation and misrepresentation takes on added dimension for the smallest location providers. Here, Ameritech employs the United States mail to effect its scheme. For one payphone site, with low volume, Ameritech mails the contract to the customer. If the contract is not returned, no commissions at all are paid until they sign the contract. The mailing of the contract provides no information that explains the PIC change being demanded, or the consequences of doing so.

Ameritech has generated its own LOA form. Ameritech claims this form provides it with the right to act as go-between for the customer by requesting a signed contract from any carrier serving the payphone at that time. Ameritech is seeking to obtain the PIC's contract with the customer in order to obtain the contract's start date, expiration date and a signature. Ameritech has been told by AT&T that its contracts with its payphone customers are none of Ameritech's business and has rejected the LOA as invalid and of no effect.

The foregoing episodes present a serious anticompetitive, consumer fraud, slamming and misuse of the mails, scenario which warrants immediate and effective regulatory intervention and cure. On a broader basis, it clearly shows that, permitted their freedom to "compete" in hitherto



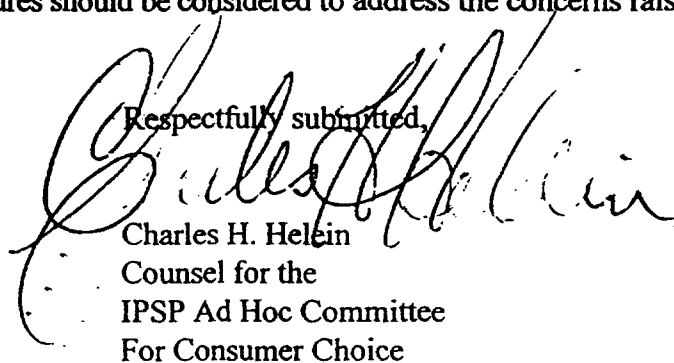
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closed markets, the RBOCs' monopoly cultures will rule and control management decisions, resulting in abusive tactics designed to ensure continued dominance over telecommunications services in the RBOCs' operating territories.

Even more chilling to the prospects of success for the immense efforts at both the federal and state levels to replace traditional regulation with open competition, is the message being signaled here. If the RBOCs will stoop to such low tactics in connection with a small niche market of long distance services via payphones, what they will attempt in regard to the main market for general long distance services will be as bad or worse.

Supportive documentation and affidavits are available. It is requested that a meeting be arranged to discuss what action and procedures should be considered to address the concerns raised herein.

Respectfully submitted,

A large, stylized handwritten signature in dark ink, appearing to read 'Charles H. Helein', is written over the typed name and title.

Charles H. Helein  
Counsel for the  
IPSP Ad Hoc Committee  
For Consumer Choice